

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6352**

**BILL NUMBER:** HB 1017

**NOTE PREPARED:** Apr 9, 2007

**BILL AMENDED:** Apr 5, 2007

**SUBJECT:** Well Water Testing and Operator Costs.

**FIRST AUTHOR:** Rep. Pelath

**FIRST SPONSOR:** Sen. Heinold

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
☐ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides that for purposes of the safe drinking water law, a community water system is a public water system (1) that serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents; and (2) in which all the service connections are located on the same parcel of real estate or all the components of the system are connected. The bill requires the Department of Environmental Management (IDEM) to pay certain costs of well water testing incurred by a nontransient noncommunity water system operated by a nonprofit center for advocacy for abused and neglected children that does not provide overnight care on site. It sets forth procedures by which a specified nonprofit center may apply to IDEM for reimbursement for amounts paid by the center for well water testing.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** To receive payment from IDEM for costs, an entity must conduct the testing by submitting samples from the water system to the State Department of Health (SDH) for testing. The entity must also arrange for a private laboratory to perform any tests not performed by the SDH. The entity must submit to IDEM a request for reimbursement of the amount paid for the testing. IDEM must pay the costs if testing is required by state and/or federal law and if costs are incurred after June 30, 2007, by certain nontransient, noncommunity water systems operated by certain nonprofit entities. IDEM must also pay for testing of water from a well operated by the entity as part of the system. Costs include services of a certified operator of water treatment plants or water distribution systems. IDEM must establish a procedure by which an eligible entity may apply to IDEM for payments.

At least one facility, in Mishawaka, may be eligible for the testing. Costs for testing will depend on the initial results of the test. For example, if copper is found in the water, the entity may need to conduct additional

testing to see if the presence of copper is pervasive. The facility may need to discontinue or adjust water treatment designed to soften the water which could cause copper pipes to leach. Quarterly follow-up tests could be required to see if the adjustment in the treatment has reduced or eliminated the presence of copper in the water. If the initial tests indicate that the water meets standards, only an annual test would be required. The impact on IDEM is indeterminable, but would depend on the number of facilities that submit requests for reimbursement.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IDEM

**Local Agencies Affected:**

**Information Sources:** Sandra Flum, IDEM, 317-233-9479.

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.